

GOV DOC

BRA
226

✓

gov. 96-670
Property of
BOSTON REDEVELOPMENT AUTHORITY
Library

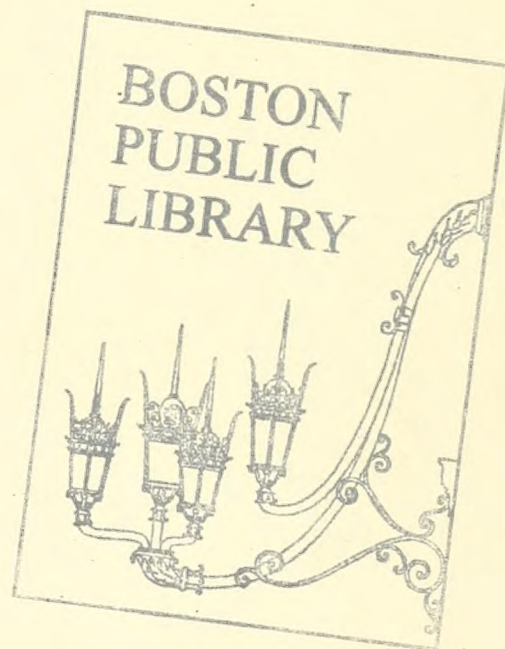
HOUSING MARKET STUDY - JAMAICA PLAIN

(1952-55) -- (1958-65)

By J. Boland and R. Gady - Research Unit

Outline

- A. Introduction
- B. Findings
- C. Data and Analysis
 - Part I - Housing
 - Part II - Banking



Jam. Plain
B65R.
H

gov. 96-670

GOV DOG
BRA
226
✓

Property of
BOSTON REDEVELOPMENT AUTHORITY
Library

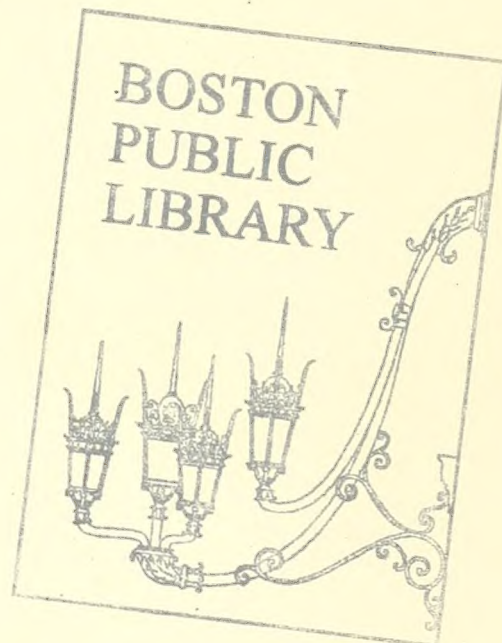
HOUSING MARKET STUDY - JAMAICA PLAIN

(1952-55) --- (1962-65)

By J. Boland and R. Cady - Research Unit

Outline

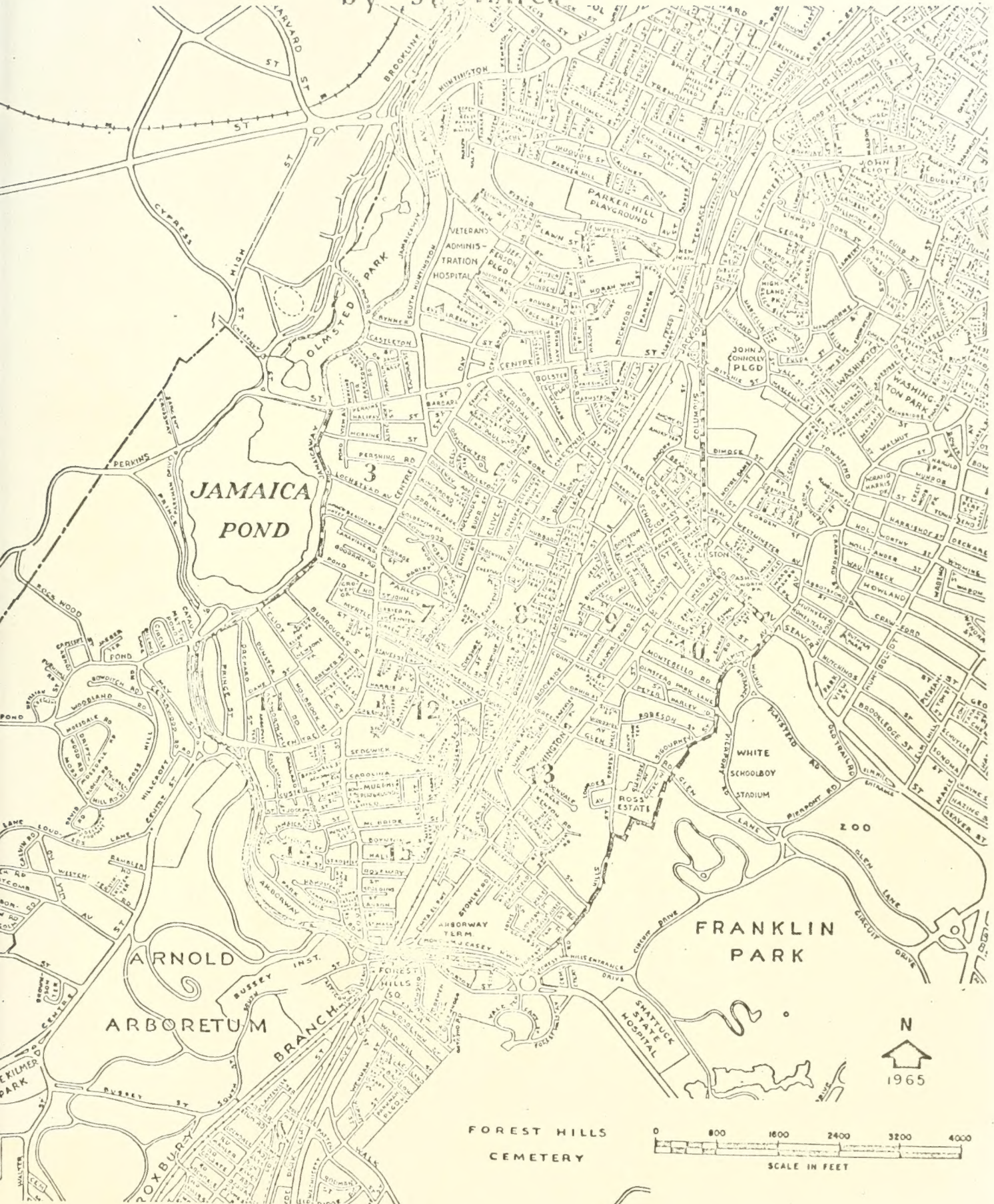
- A. Introduction
- B. Findings
- C. Data and Analysis
 - Part I - Housing
 - Part II - Banking



Jam. Plain
B65R.
H

BOSTON
PUBLIC
LIBRARY

by Sub-Area



A. Introduction

This study measures change in the Jamaica Plain Housing Market over the past decade. The method adopted was to divide the community into fifteen areas and to gather data on real estate transactions for two time periods; the first from 1953 to 1955; the second from 1962 to 1965. The analysis in this study involves comparisons of values and policies between the two periods and also within the community during the most recent period on a total as well as area by area basis.

The findings of the study are presented in the following section. Supporting Data and Analysis are contained in Section C. Part I of Section C is an analysis of Sales Data; Part II is an analysis of Banking policies and practices.

B. Findings:

1. Property values have risen in Jamaica Plan between 1954 and 1964. It is estimated that property values have appreciated about 10% after adjustments have been made for increases in the general price level (i.e. price inflation).

2. Not all areas of Jamaica Plan experienced property appreciation. In general, areas in the western half of the G.N.R.P. had rises in value while areas in the eastern half experienced property value declines. (Map III)

3. There is evidence that property value decline is spreading toward the high value areas along the western boundary of the G.N.R.P.

4. Attempts to measure neighborhood instability by relating population change and sales activity were inconclusive. There was however some slight indication that relative change in population and relative change in value per D.U. were related positively (i.e. relative increases in population were associated with relative increases in value per D.U. by sub areas).

6. Two family and three-four family unit structures have more uniform

values throughout the G.N.R.P. than one family units.

7. With some exceptions, the three-four family unit has a high value, as does the two family structure.

8. Although little information was available on multi-units, available data suggests that demand for this type of structure will increase within certain areas of the G.N.R.P. (along the western and southern boundaries).

9. The turnover rate as measured by comparing the percent of sales by structure size with the percent of structures by each size in the housing stock increases as the size of the structure increases.

10. There is evidence that mortgage lenders have, in general, maintained their interest in the G.N.R.P. There are, however, areas in which financing is becoming difficult to obtain.

11. Cooperative Banks have continued to be the major source of loanable funds within the community.

12. In most cases, areas of low value housing per dwelling unit are also the areas with high mortgage to sales price ratios.

13. On the basis of an examination of the sales data, it was concluded that speculation probably occurred in 1.6% of the total sales during the 1962-1965 period. No locational pattern was found.

14. While the sales data provide no information on non-white in-migration to the G.N.R.P., conversations with prominent realtors in the area suggest, that non-white home-owners and tenants have had, and will continue to have, great difficulty breaking the color line throughout most of the area.

711 1872 10000

C. Data and Analysis

Part I - Housing

Between 1951 and 1966, real estate activity measured in terms of dollar volume increased from a monthly average of \$438,869 in the fifties to \$1,023,341 per month in recent years. When adjustments are made for increases in the average level of prices as measured by the Consumer Price Index the increase in volume measured only about 4%.

In terms of average value per transaction between the two periods, there was an increase of 61% from \$8,266 per sale in the fifties to \$13,371 per sale in the sixties. Again, adjusting for inflation, the percent rise is smaller, on the order of 18%.

Thus, in general, the previous data plus additional information presented below indicate that property values have appreciated in Jamaica Plain over and above the general rise in prices between the periods. (Refer to Table One.)

However, the appreciation in value was not distributed uniformly throughout the community. Data gathered on market values per dwelling unit show, in Maps I and II, the distribution of values within the community. In both periods, the range in per value per dwelling unit by areas is wide. In the fifties, the highest value area (\$11,114 per D.U. in Area 12) is three times the value in the lowest area (\$3,710 in Area 13). In the sixties the range is widened. The highest value area (\$14,116 per D.U. in Area 12) is now four times the lowest area (\$3,529 per D.U. in Area 13). This information suggests, as noted, a lack of uniformity in the pattern of change within the community. Map I shows the distribution of values in the fifties and Map II shows the distribution in the sixties. The pattern of change within the community is more complex than the pattern of change in the community as a whole.

Table 2

AVERAGE VALUE PER D.U. AND TONNAGE CHARGE

IN JAMAICA FRUIT BY LINE LINES

(1953-1954) — (1954-1955)

1.

2.

3.

4.

Line	1953-1954 (1954 Dollars)	1954-1955 (1954 Dollars)	Percent Change (1954 Dollars)	1954-1955 (1954 Dollars)
1	\$4,890	\$ 3,100	+ 21.0	\$ 7,290
2	3,178	3,133	+ 2.7	7,411
3	7,171	6,310	+ 13.3	11,781
4	1,713	4,633	+ 1.3	3,127
5	3,515	2,429	+ 30.3	3,230
6	4,115	2,427	+ 33.2	4,115
7	1,113	4,634	+ 13.1	3,111
8	4,401	3,985	+ 9.3	3,111
9	3,587	3,582	+ 1.5	4,082
10	3,450	4,490	+ 17.6	6,307
11	1,011	10,073	+ 1.6	11,113
12	3,131	3,310	+ 15.4	7,411
13	4,435	3,943	+ 11.0	5,110
14	4,906	3,910	+ 19.1	3,934
15	3,273	3,003	+ 9.9	3,664

between the two periods. Sub Areas in the West Sector show property value appreciation (light colors) while those in the East Sector show property value depreciation. Property declines are not covered in the dark areas.

Of particular interest, in terms of delimiting a process of decline within the community, is Sub Area 1, which, although it is a standard housing (refer to Table 3), nevertheless, experienced a marked decline in its property values. Since this area has a high family turnover rate (refer to Table 4), sufficient observations were available to supply reliable information. Thus, beyond the obvious conclusion that the East Sector of the community has declined with the general decline here in the area, there is the strong suggestion that the position of decline is spreading toward the high-value sub areas along the west side of the area.

A comparison of Tables 3 and 4 showing population change and value increase, respectively, shows a relation between these variables.

The relationship between relative population change and relative change in value per D.M. by sub areas was investigated. Figure One is a "scatter" diagram of the relationship. It suggests a weak positive correlation. Since the data revealed significant changes between the periods, the data for the present period were analyzed to determine if the pattern of real estate activity has changed markedly in the 1952-1965 period.

Table 5 is a comparison of aggregate housing data for January 1966 in recent years. It is generally similar in value, although there has been a slight drop in value per D.M. if it is compared as reported with 1952 values.

Table 6 shows percent over by year values per D.M. on a sub-area basis. When 1952 values are compared with 1962 values, it can be seen that seven out of ten areas

TABLE THREE

JAMAICA BEACH - POPULATION AND HOUSING DATA

TABLE THREE

Sub Area	Population 1950*	Population 1960	Percent Change	Housing Units	No. of Sub- Standard D.U.'s	Percent Sub- Standard D.U.'s
1	3712	3624	- 2.4	1116	150	13.4
2	5604	6231	+11.2 +	1773	175	9.9
3	1781	1586	-10.9	539	11	2.0
4	3845	3484	- 8.9	1067	181	17.0
5	4799	3121	-37.4	939	911	91.7
6	1797	1396	-22.3	611	74	11.7
7	2413	2114	-11.1	623	1	0.2
8	1803	1602	-11.1	490	61	12.7
9	3730	3354	-12.6	1043	424	41.4
10	3106	3129	+1.3	903	312	35.2
11	1745	2043	+16.4 +	6413	23	4.7
12	1912	2422	+26.1	766	122	16.0
13	3470	3373	-2.8	781	271	34.4
14	2639	3055	+15.8 +	914	89	9.7
15	2105	1715	-18.5	581	338	58.5
TOTALS FOR JAMAICA BEACH	41417	41417	- 7.2	12790	2824	22.2

SOURCE: U.S. CENSUS

*Population estimate
(Source: U.S. Census Bureau)

Table Four

PERCENT OF 1.13 SQ TOTAL RECOMMENDED,
STRUCTURES BY SIZE AREAS OF JAMES BEACH

	No. of Poles	No. of Poles	Value Structures	No. of Poles	No. of Poles	Value Structures
1	33	282	11.75	32	282	11.3
2	23	211	7.50	22	200	9.5
3	34	288	19.35	27	174	15.5
4	72	314	20.2	67	300	15.3
5	42	211	14.4	37	270	9.4
6	16	211	13.2	15	151	10.5
7	43	141	21.9	40	154	31.2
8	31	174	17.8	29	174	10.1
9	25	141	13.6	22	130	11.7
10	46	211	11.6	37	200	10.1
11	30	211	13.1	27	207	11.5
12	37	271	14.2	31	274	17.2
13	30	211	15.8	28	247	20.1
14	20	211	22.1	21	271	10.1
15	34	271	14.6	23	154	13.2
TOTAL	608	3,761	165	603	3,764	138.55

Amount: 1.13 sq

Table Two

TABLE TWO

TABLE TWO

TABLE TWO

	Total Value Dollars	No. of Units	D.U.'s (2)	Avg. Value Per D.U.	Avg. D.U.'s Per Unit	Avg. Value Per D.U.
1957	1,000,000	157	354	\$10,505	2.3	\$7,800
1958	2,000,000	191	390	12,500	2.4	7,513
1959	3,000,000	231	535	17,200	2.4	7,166
1960(1)	3,212,000	166	428	19,349	3.8	7,595

(1) The total and average unit values. They are based on the total value shown in the table plus the Department's liability for the year ended July 1, 1960 (one-half of the year).

(2) In the case of the "1960" year, the "1960" year is used as the basis for the "1960" year.

Source: Department's liability

Table 11:

TABLE 11

NUMBER OF SALES AND AVERAGE VALUE PER EXHIBITOR 1941

1941-1942

Sub Area	1941		1942		1943		1944	
	No. of Sales	Ave. Value Per D.U.	No. of Sales	Ave. Value Per D.U.	No. of Sales	Ave. Value Per D.U.	No. of Sales	Ave. Value Per D.U.
1	2	9,400	8	9,861	17	6,631	5	12,713
2	6	6,444	10	8,170	11	5,743	2	12,240
3	10	10,957	6	13,346	6	15,992	5	13,210
4	13	7,736	15	5,934	25	7,030	9	8,827
5	7	2,444	2	2,750	12	3,749	3	5,071
6	5	5,450	13	4,710	12	10,096	6	7,121
7	11	7,503	14	6,523	10	6,751	6	6,511
8	9	4,352	3	5,425	3	6,667	4	6,906
9	8	5,235	13	5,313	13	4,447	7	5,411
10	13	6,539	17	6,644	16	6,236	13	5,411
11	11	13,139	10	12,375	23	12,375	7	13,311
12	16	7,689	12	6,195	17	7,835	6	7,345
13	12	4,457	11	6,462	23	5,390	4	5,813
14	16	7,222	15	7,035	17	8,292	3	8,957
15	6	4,725	4	5,506	11	5,221	4	4,411

卷之四

25

6

1865 (C. 22.)

[illegible][illegible]

Index

(1) The 1965-1966 season was the most successful in the history of the program.

THE HISTORY OF

Part II -- Banking

Area of Operation

Mortgage financing has been kept at a relatively stable pace by the influx of numerous banks into the area. Presently, the area is serviced by at least 57 banks who have done business there in the previous three years (1962-1965).

The following Table is indicative of the increasing role of Cooperative Banks in financing the real estate market in the Jamaica Plain C.M.H.P. Area:

Table Ten

1963-1965

Bank #	Type	Mortgages #	Percent Distribution
26	Savings Banks	202	59.4
25	Cooperative Banks	283	54.8
9	Federal Savings & Loan	33	6.7
2	Other	2	.1
<hr/>		<hr/>	
Total	62	520	100.0

1962-1965

28	Cooperative Banks	307	57.0
18	Savings Banks	203	39.0
7	Federal Savings & Loan	24	4.5
35	Other	3	.5
<hr/>		<hr/>	
Total	57	537	100.00

Further Analysis

The previous Table indicates an increase in mortgages over the two periods studied, 1962-1963 (146-150) to 1963-1964 (189-191). However, placed on a comparable basis by dividing the actuals indicates a decline in mortgage activity from 146 to 128 per month.

Further analysis shows that by breaking down the 1963-1964 period into individual years, a sharp increase is indicated in mortgage activity in 1964. This can be shown by the following:

Year	Mortgages	Percent Change	Mortgages	Percent Change
1962	136	-	2,461,047	-
1963	140	2.9	2,536,966	3.1
1964	191	36.4	3,312,936	30.5
	467		8,310,949	

... objection for 1963 on the basis of the first ... figures would indicate ... with an ... of \$8,734,011.

... compares the ... major ... period studied. ... participation is substantiated by the fact that no single ... in ... the mortgages ...

... compares the ... and compares the ... of mortgages by sub area.

... shows mortgages ... each sub area. ... shows the percent of initial equity invested in ... the ... equity ...

A rank correlation study indicated a significant relationship between the ...

Table Eleven

PERCENTAGE DISTRIBUTION OF

IN THE VARIOUS PLANNED CITIES

FOR THE YEAR 1957-58

1957-58

Rank	Percentage	Percent Distribution
1. Community-Industrial Cooperative	63	12.4
2. Volunteer Cooperative	53	11.2
3. Forest Hills Cooperative	50	9.5
4. North Avenue Savings	41	7.5
5. ...	40	7.3
6. ...	31	5.4
7. ...	22	3.9
8. ...	17	3.2
9. ...	15	2.9
10. ...	13	2.3
11. ...	9	1.7
12. ...	8	1.5
13. ...	8	1.5
14. ...	8	1.5
15. ...	8	1.5
TOTAL	511	100.0

1958-59

Rank	Percentage	Percent Distribution
1. ...	71	13.7
2. ...	63	12.0
3. ...	60	12.1
4. ...	51	9.5
5. ...	25	4.3
6. ...	22	4.1
7. ...	22	4.1
8. ...	17	3.2
9. ...	15	2.9
10. ...	13	2.3
11. ...	11	2.1
12. ...	11	2.1
13. ...	11	2.1
14. ...	11	2.1
15. ...	11	2.1
TOTAL	511	100.0

of equity invested in an area and the average value per dwelling unit. Reference to the corresponding map indicates that those areas with mortgages as a very high percentage of sales price are also those areas with relatively low value housing per dwelling unit; vis-a-versa.

Table Twelve presents 1962-1965 Sales and Mortgage Data by Sub Areas.

Information within the Area

Interviews were conducted with various prominent real estate brokers and bankers familiar with market trends in the Jamaica Plain Area. Listed below are the more important points gained in the discussions:

1. Various areas in Jamaica Plain were found to have difficulty in real estate financing. Extreme difficulty was encountered in placing F.H.A. mortgages in those areas with occasional difficulty in obtaining conventional financing. Map VIII delineates these areas.
2. Local banks in Jamaica Plain generally tend to avoid F.H.A. financing in favor of more conventional means. This appears to be due to a lack of adequate understanding of the role of the F.H.A. Much can also be said of the F.H.A. "red tape" as an obstacle to the method of financing.
3. Speculation has not occurred in Jamaica Plain because present prices are too high to encourage speculation. This statement is in accord with our own findings.
4. Home insurance rates do not differ among areas, although individual companies do vary in their willingness to assume risks.
5. The boom in high-income apartment construction which has recently affected the Jamaica Plain housing market will not continue, because of a decreasing demand for such facilities. (Opinion of Mrs. Caulfield, local real estate broker.)
6. The demand for housing in Jamaica Plain is strong. All available vacant land in the area is being bought up at a rapid rate.

Table Twelve

PERCENT OF MORTGAGE TO SALES PRICEJAMAICA PLAIN SUB AREAS1962-1965

<u>Area</u>	<u>Total Mortgages</u>	<u>Total Sales</u>	<u>Percentage</u>
1	\$ 392,430	\$ 656,600	85.7
2	232,250	344,700	84.6
3	392,600	541,300	73.6
4	600,350	771,600	78.0
5	161,600	221,200	73.1
6	308,000	348,625	88.4
7	495,900	653,400	75.9
8	138,475	192,912	70.2
9	411,500	495,200	83.1
10	619,500	762,620	81.3
11	709,550	1,071,100	66.2
12	590,300	743,400	79.3
13	546,800	707,100	77.4
14	424,300	591,500	71.7
15	395,750	529,250	76.6
<u>TOTAL</u>	<u>\$6,561,235</u>	<u>\$8,493,367</u>	<u>77.2</u>

Source: Appraiser's Weekly

BOSTON PUBLIC LIBRARY



3 9999 06352 287 2

7. The area between the Junctionway and Centre Street was characterized as highly desirable; the area between Centre Street and Chestnut Avenue as mediocre; and the area east of Chestnut Street as weak, generally.

